



115 West Allegan St. Suite 600
Lansing, MI 48933

517-485-3409
NFIB.com

To: Honorable Members of the Senate Local Government Committee

From: Charles Owens, State Director

Date: May 29, 2018

RE: House Bill 4360, Unfair Competition from Government – Auto Storage

We are writing to ask your support for House Bill 4360 that would prohibit a local government or law enforcement agency from operating a “motor vehicle storage facility,” or accepting financial consideration from a private vendor that has such a facility. Local governments that already have an existing storage facility or vendor contracts in place would be grandfathered.

As indicated in the House Fiscal Agency analysis, this bill is intended to protect the private towing and storage industry from unfair competition arising from local governments using taxpayer resources to provide a service already available in the private sector. There is a conflict of interest when local governments require citizens to use a government operated facility where rates can then be charged to create a profit center for the unit of government in question. It also encourages aggressive enforcement practices by a local government to generate “business” for its own facility. These kinds of practices create a hostile business climate that drive potential customers away from the business district in these areas.

Again, we ask that vote yes to report House Bill 4360 from Committee and we thank you for your support of small business!